



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

January 18, 2008

H.R. 2185

A bill to amend the Tropical Forest Conservation Act of 1998 to provide debt relief to developing countries that take action to protect tropical forests and coral reefs and associated coastal marine ecosystems, to reauthorize such act through fiscal year 2010, and for other purposes

As passed by the House of Representatives on October 9, 2007

H.R. 2185 would authorize the appropriation of \$30 million each year in 2008, 2009, and 2010 to restructure debt owed to the United States in exchange for agreements that the indebted countries would conserve tropical forests, coral reefs, and coastal marine ecosystems. CBO estimates that implementing the act would cost \$60 million over the 2009-2013 period, assuming that the authorized amounts are appropriated and that outlays follow historical spending patterns.

Enacting H.R. 2185 would not affect direct spending or revenues. H.R. 2185 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 2185 would reauthorize the Tropical Forest Conservation Act of 1998 (TFCA) through 2010 and broaden its scope to include coral reefs and coastal marine ecosystems. The act expired in 2007 and applied only to conservation of tropical forests. TFCA allowed the United States to modify concessional debt held by eligible countries and to redirect loan payments to support forest conservation programs. The debt modifications include authority to reduce and to restructure debt, to swap debt, or to sell debt back to an eligible country in ways that will generate income for conservation efforts. H.R. 2185 would authorize the appropriation of \$30 million per year in 2008, 2009, and 2010 to cover the cost of loan modifications, as defined by the Federal Credit Reform Act. Appropriations of \$30 million have already been provided for the program for 2008.

The estimated budgetary impact of H.R. 2185 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					
	2008	2009	2010	2011	2012	2013
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Debt						
Restructuring						
Budget Authority ^a	30	0	0	0	0	0
Estimated Outlays	120	79	38	3	0	0
Proposed Changes						
Authorization Level	0	30	30	0	0	0
Estimated Outlays	0	3	18	24	12	3
Spending Under H.R. 2185 for Debt						
Restructuring						
Authorization Level ^a	30	30	30	0	0	0
Estimated Outlays	120	82	56	27	12	3

a. The 2008 level is the amount appropriated for that year.

On September 18, 2007, CBO transmitted a cost estimate for S. 2020, the Tropical Forest and Coral Conservation Reauthorization Act of 2007, as ordered reported by the Senate Committee on Foreign Relations on September 11, 2007. S. 2020 and H.R. 2185 are similar, although H.R. 2185 would authorize a higher level of funding. Differences in the estimated costs reflect differences in the two versions of the legislation.

The CBO staff contact for this estimate is Michelle S. Patterson. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.